



Connecticut Coalition to End Homelessness

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Low Income Utility Rate Hearing
January 10, 2011
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Written Testimony on "An Act Establishing a Residential Electric and Gas Customer Discount Rate"

Thank you for the opportunity to submit testimony on "An Act Establishing a Residential Electric and Gas Customer Discount Rate". In partnership with communities throughout the state, CCEH creates change through leadership, community organizing, advocacy research, and education.

CCEH is also a membership organization and strongly values the work of the emergency shelters, domestic violence shelters and transitional housing programs as other homeless services. As a statewide voice to support all initiatives to end homelessness and poverty, we represent our service partners as well as those experiencing homelessness and poverty.

There are existing services to curb utility costs through community action programs, homelessness prevention and rapid re-housing program, utility companies and local funds. Funds for utility assistance evaporate quickly, and more so as more and more of CT residents need support. And while these services work from some, often it is not enough funds to support enormous arrearages and many do not meet eligibility criteria.

The State Department of Social Services currently funds the Beyond Shelter CT and Housing First for Families, in which the main goal is to rapidly re-house individuals and families within a specified time frame and provide resources to ensure stabilization. The program participants typically work low wage jobs or receive temporary financial assistance. Through personal savings or financial support, there may be enough money for a security deposit to secure housing. In many cases, there is a looming housing barrier—a utility arrearage. Per policy of utility company, full payment of outstanding balance is required to activate utilities. For public housing or subsidized housing applicants, utility arrears can be huge issue as most people are denied housing upon credit check simply based on utility debt. In addition to the lack of affordable housing and affordable housing stock, it is difficult to find housing with utility costs included in the rent.

For low income residents working hard to maintain and retain their housing, the priority is to simply pay the rent. Some take advantage of payment plans through utility companies, but it is only available for those that heat with electric and gas. If someone participates in any of the current forgiveness programs, one missed payment means responsibility of the original outstanding balance. The American Recovery and Reinvestment Act provided funding for the

Homelessness Prevention and Rapid Re-housing Program through HUD. This temporary program allows financial support for utility deposits, arrearages and short term assistance for qualifying households. For many households, that support is not enough to cover all the debt and even after assistance, the high utility costs continue to be a burden. Many working poor in our State do not qualify for any assistance, yet live on the same teetering financial edge of those federally defined as poor.

While the problems with our social policy cannot be solved through discounted utility costs and forgiveness programs, it does mean elimination of a major barrier to obtaining housing and housing retention. Reducing costs for utilities will allow providers to spend more money on prevention efforts. It means households not choosing between utilities and rent. Thank you again for making this happen for our most vulnerable neighbors.